

## FE Developments

Throughout July and August, various FE related government bodies, quangos and other organisations were busy maintaining their seemingly infinite capacity for bothering colleges, by disseminating documents covering a whole new batch of initiatives, strategies, policy changes, guidance notes, reviews, directives and consultation exercises. A brief summary of some of these is included below.

### Fee remission changes

Full fee remission is available in 2011/12 for:

- Basic literacy and numeracy for adults of all ages
- First full level 2 qualifications
- Level 1 and entry level qualifications for all adults in cases where they do not already hold full level 2 qualifications
- First level 3 qualifications for students age 19-25
- Those claiming the Job Seekers Allowance (JSA) or Employment Support Allowance (ESA). These are known as the Work Related Activity Group (or more unflatteringly, as 'WRAGs'), and are claimants who are required to demonstrate that they are actively seeking work as a condition of continuing to receive their benefits.

Those in receipt of council tax benefit, housing benefit, income support, working tax credits and pension credits (i.e. those who do not fall within the WRAG classification) were not initially eligible for fee remission in 2011/12. However, it seems that the government has now undergone something of an 'about face' in respect of these claimants.

Broadly speaking, the policy change involves the following:

- Colleges are now given the discretion to remit fees for non WRAG benefit claimants provided that the training they want to undertake is 'to help them enter employment' and that the course they are studying 'helps meet local demand for the skills that lead to employment and growth'.
- The down side is that there is no extra funding being made available and the cost of granting additional fee remission must be met from within each college's existing budget allocation.
- The change in policy currently applies only to the 2011/12 academic and financial year, with arrangements for 2012/13 to be announced later in the year.

Other than for no additional funding, this change in policy has generally been welcomed by the sector; however the timing of the change has meant that many colleges have had to engage in frantic last minute activity to get their staff up to speed with the new rules. The main implications of the policy change include: the following:

- Non WRAG benefit claimants can now be granted fee remission, including unemployed people taking English as a Second or Other Language (ESOL) courses.
- Fee remission can also be granted to the unemployed dependents of those in receipt of benefits and the unemployed dependents of those in receipt of income tax credits.
- The key condition for eligibility for fee remission is that of being unemployed. Hence, a recipient of tax credits who is working would *not* be eligible for fee remission but the unemployed dependent of a recipient of tax credits who is working, would be.
- Those who are granted discretionary fee remission under the new rules (i.e. those who are not WRAGs) will be required to formally self certify that they need the skills training provided through the course to help them get a job.

### Department of Business, Innovation and Skills (BIS) to publish new 'policy framework' for FE

Later this Autumn BIS, will publish a new 'policy framework' for FE colleges in England. This will replace the current framework, which is contained in the earlier BIS document, '*Further Education Colleges - models for success*'. The new framework outlines a new vision of the 'future landscape and shape' of FE

and will contain advice and information on a further range of 'new business models' for colleges to consider.

### **New business model flounders**

Meanwhile, one such new business model appears to have run into difficulties. This particular new business model involved the governance and strategy for one FE college being provided through a joint venture partnership that was comprised of the Learning and Skills Network (LSN) and another FE college.

Recent articles published in the Times Educational Supplement (TES) FE Focus, seem to attribute the main reason for the failure of the joint venture partnership to LSN's severe financial difficulties. LSN is now a private sector body, but has its origins in the earlier government funded Further Education Unit (FEU). LSN was still in receipt of government grants until relatively recently and had apparently built up quite significant levels of cash reserves. However, it appears that these reserves were substantially depleted by a series of acquisitions which, with the benefit of hindsight, may have been unwise. One of the largest of these acquisitions was that of a company providing interim FE management services. LSN apparently paid around £6 million for the company, but the FE Focus article suggests that it is about to be sold back for the nominal sum of £1. Meanwhile, in the attempt to replenish dwindling cash reserves and restore financial stability, LSN is proposing to sell the site of another of its acquisitions, the National Extension College (NEC), a move which has attracted criticism from a number of quarters.

The wider point here is that, as has shown to be the case with private finance initiative (PFI) in the schools and health sectors, new business models for FE that involve increased levels of private sector involvement may not always deliver the cost savings and efficiencies anticipated.

### **New BIS consultation paper '*New Challenges, New Chances*'**

Building on the earlier strategy documents '*Skills for Sustainable Growth*' and '*Investing in Skills for Sustainable Growth*', BIS has published a new consultation document containing proposals for yet further reforms of the FE sector in England. The consultation covers, amongst other things:

- The role of the state, of employers and of private individuals in meeting the future cost of FE provision.
- The introduction of student loans for level 3 and 4 course programmes (including Access to HE and Advanced and Higher Apprenticeships) for those aged 24 and over.
- Deregulation and the introduction of 'new freedoms and flexibilities' for the FE sector.
- The simplification of the FE funding system.
- The promotion of 'inspirational teaching and high quality learning'.
- A review of the impact of numeracy and literacy provision for adults.
- A review of the impact of informal adult community learning (IACL), an assessment of its contribution to the government's 'Big Society' initiative, and an evaluation of the level of progression from IACL to formal education, training and into employment.
- The delivery of higher education and skills in FE.

The deadline for responses to the consultation is 21 October.

### **New BIS proposals for college scrutiny and intervention**

As part of the '*New Challenges, New Chances*' consultation process mentioned above, BIS has published further consultation proposals in respect of the future level of public scrutiny of college performance and the point at which external intervention should be triggered if a college appears to be failing.

Proposals in respect of changes in levels of college scrutiny include the following:

- Removing the contractual requirement placed on colleges to provide an annual self assessment report (SAR) to the Skills Funding Agency (SFA) and the Office for Standards in Education (Ofsted).
- Reviewing the inspection requirements of colleges judged by Ofsted to be 'outstanding' (providing performance levels are maintained), with a view to considering whether this approach should be extended to colleges judged as 'good'.
- 'Streamlining and improving' the Ofsted Common Inspection Framework (CIF).
- Removing the requirement to publish information through the Framework for Excellence (FfE) and replacing it with an 'improved process for providing public information' which has been developed by the sector for the sector.

- Removing entirely the requirement to provide public information on performance placed on employers in receipt of public funds for training, but who use these funds only to train their own employees.
- Reviewing the level of data required from colleges by the Office of National Statistics (ONS) as a consequence of an earlier decision to classify FE colleges as 'central government bodies'.

Proposals in respect of external intervention include the following:

- Colleges will be classified as being either 'failed', 'coasting/failing', 'successful' or 'highly successful'.
- 'A number of new performance indicators will be established so that colleges understand how their own level of performance will be classified' and under what circumstances intervention will be initiated.

### **Ofsted publishes CIF consultation document**

As part of the requirement to 'streamline and simplify' the CIF, Ofsted has published a consultation document proposing changes to the current CIF to take place with effect from September 2012.

These include the following:

- Inspection judgements will focus on the overall effectiveness of the college. This in turn will be influenced by inspectors' judgements on outcomes for students, the quality of teaching, learning and assessment, and the quality of leadership and management. Limiting judgements will be removed.
- Judgements on outcomes for students will be influenced by the extent to which provision meets the needs of learners, ensures the achievement of students and helps them progress into employment or further education and training.
- Judgements on the achievements of students will be influenced by success rates and the progress made in reducing the gaps in achievement between different groups of students.
- Judgements on the effectiveness of leadership and management will be influenced by the effectiveness of the leadership of teaching and learning, and the promotion of higher standards for students.
- Capacity to improve will be regarded as implicit in leadership and management and inspectors will *not* make a separate judgement on this.
- Inspectors will continue to report on equality and diversity, but will focus on the extent to which this is reflected through outcomes for students, the quality of teaching, learning and assessment, and the effectiveness of leadership and management.
- Inspectors will continue to take account of self assessment evidence made available by colleges, but will not prescribe how, or in what form, such evidence should be provided.
- Inspectors will continue to make a judgement on the effectiveness of the management of safeguarding and the extent to which students are safe.
- Inspectors will continue to inspect a sample of programme areas, but will refer to performance in these areas in the main body of the inspection report, rather than reporting on them separately.

With reference to the timing of inspections:

Inspectors will assess the performance of colleges on an annual basis and will take into account drops in performance and other risk factors when deciding when to inspect.

- Inspectors will take greater account of the views of students, employers and parents in deciding when a college should be inspected.
- Inspections of outstanding colleges will cease altogether (unless performance levels drop). Inspections of good colleges will take place every 6 years (unless performance levels drop). Inspections of satisfactory colleges will be 'strengthened', to include the introduction of unannounced inspection visits to those colleges who are failing to improve. Inspections will be specifically targeted on those colleges who are judged to be inadequate or failing, or where there is a need to bring about rapid improvement.
- Inspectors will respond flexibly to requests from colleges for an early inspection. This is most likely to be in situations where a college feels that there has been a substantial improvement in their performance and wishes to be publicly recognised for this earlier than at the next scheduled inspection. Colleges will be expected to meet the full cost of the early inspections they request. This particular proposal has already led to considerable criticism from some quarters and it has been argued that payment for early inspections may debase Ofsted's credibility.

The consultation period in respect of the new proposals runs until 24 November.

## **First FE colleges acquire the right to award Foundation Degrees**

Newcastle College and New College, Durham, have been given the right to award their own Foundation Degrees. Commenting on this development, the BIS Secretary of state, Mr. Vince Cable, said that 'We want to increase the study choices for students by enabling FE colleges to offer higher education qualifications'. He also referred to the opportunity for FE colleges to grow their HE provision through the opportunity to bid for some of the additional 20,000 HE places that will shortly be made available.

## **New White Paper published- 'Higher Education: Putting Students at the Heart of the System'**

Mr Cable's comments reflect the content of the BIS technical consultation document published alongside the new HE White Paper. The BIS technical consultation document specifically invites comments on the content of the HE White Paper in respect of proposals for:

- Reforms to Degree Awarding Powers (DAP)
- Changes to the criteria required for an institution to call itself a University
- Simplification of the procedures for changes to an institution's corporate status

## **FE Capital Funding**

A £100 million capital fund is to be made available for general further education (GFE) colleges in 2012. The SFA plans to pay out £25 million in flat rate payments and £75 million to an estimated 35 to 40 colleges after an 8 week bidding round.

## **FE colleges accused of failing to provide sufficient public information**

Mr Michael Davis, the new chair of the UK Commission for Education and Skills (UKES), the body which purports to bring together representatives of business, trade unions and the voluntary sector to advise on skills, has accused FE colleges of failing to publish sufficient information about such things as 'student satisfaction and course outcomes'. In expressing his apparent displeasure with the sector, Mr Davis said that UKES had called on colleges over 2 years ago to provide more public information on their performance and had also asked colleges to provide 'score cards' in order to evaluate their overall contribution to their local communities. He added that he thought 'it was sad that colleges saw this as an additional burden'.

Curiously, UKES seems considerably more relaxed about the need for schools, universities and private trainers to provide more public information, or the need for them to produce 'score cards'. Meanwhile, UKES seems to be spending most of its own time in developing its new 'skills pledge', whatever this is.

## **Institute for Learning (IfL) developments**

John Hayes, the Minister of State for Further Education, Skills and Lifelong Learning, has announced the establishment of an independent review of arrangements for securing a 'professionalised' FE workforce. The review will cover:

- The arrangements that are currently in place.
- The statutory requirement for FE lecturers to become members of the IfL.
- The current role of the IfL in delivering a professionalised FE workforce.

An independent chair of the review body is to be appointed. In response to the announcement of the review, UCU has suspended its threat of legal action against the IfL.

## **Skills Funding Agency Accounts receive a 'qualified' opinion from auditors**

Over the summer the SFA's accounts were published. Interestingly, the SFA's auditors, the National Audit Office (NAO) gave a qualified opinion in respect of the SFA's accounts. (In situations where auditors are satisfied that accounts give a true and accurate picture, the opinion is 'unqualified'). The qualification that the NAO gave the SFA's accounts stated 'the financial statements do not give a true and fair view of the state of affairs of the Skills Funding Agency and its subsidiaries as at 31 March 2011'. However, this doesn't necessarily mean that anyone from the SFA was 'cooking the books'. The reason the NAO gave for qualifying its opinion on the SFA accounts was based on the fact that they believe that colleges are 'subsidiaries' of the SFA and that therefore their accounts should be consolidated into the SFA's accounts. This view was partly because they believe the SFA has control over colleges in the form of colleges requiring to seek borrowing consent from the SFA (which, in other spheres of activity, independent

corporations are not normally required to do) and partly because of the designation of colleges as 'public sector bodies' by the Office for National Statistics (ONS) in October last year.

No one seems quite sure how this development sits alongside the government's stated intentions to provide colleges with more freedom and autonomy, but in any event the NAO's requirements are likely to prove difficult to meet, if for no other reason that the period covered by the SFA's accounts run from April to March, whereas college accounts run from August to July.

### **Rise in Unemployment**

Over the last three months, numbers unemployed in the UK rose by 80,000 to a total of two and a half million. This represents 7.9% of the total workforce, with some economists predicting that the rate of unemployment could reach 10% within the next 12 months. Female unemployment is at its highest rate for over 23 years. Youth employment rose sharply by 78,000 to a total of 973,000 with the majority of this increase being amongst 18-24 year olds. Jobs in the private sector have increased by 41,000. However, jobs in the public sector decreased by 111,000 over the same period.

There were regional variations to this trend. For example, in Scotland, unemployment actually fell and the number of jobs increased. Meanwhile, public sector unions have threatened concerted strike action on 30 November in respect of government proposals for changes to public sector pension schemes.

### **Vordeman Report on Mathematics Education**

The recently commissioned Vordeman Report on Mathematics Education has now been published. The main recommendations contained in the report include the following:

- The present single award in GCSE mathematics should be replaced by a double award
- Entering students to 'obtain a mere pass grade in order to improve league table positions' should be discouraged
- Mathematics should be a compulsory part of the curriculum to age 18
- Each Ofsted inspection team should contain at least one inspector who is qualified to inspect mathematics
- University departments offering science, technology, engineering and mathematics (STEM) should consider 'increasing the level of mathematics in their courses and this should be reflected in the advice given to applicants'.

So, if you want an analysis of the current shortcomings in mathematics education, along with recommendations for action to put them right, forget about bothersome education professionals and maths specialists. You just need to engage the person my mate refers to as 'Her off Countdown who can do hard sums'.

### **Colleges in their Communities**

The AoC, the 157 Group and the National Institute for Adult Continuing Education (NIACE) have joined together to sponsor an independent commission on the role of colleges in their communities. The aim is to ascertain the extent to which colleges add value to their local communities. The commission, chaired by Baroness Sharp of Guilford, has now published its interim report entitled 'A Dynamic nucleus, Colleges at the heart of local communities'. The main findings of the interim report are as follows:

- 'Many colleges are already embedded in their communities.'
- 'The funding system is unduly complex.'
- 'Too much management time is consumed by this complexity.'
- 'Some colleges have learned to manage the system to the benefit of their communities.'
- 'There is no such thing as a national brand'.
- 'By no means do all colleges match up to best practice'.
- There is a need for 'coordination of skills demand at a local level.'
- 'There is a need for 'acceptance of reform'.
- 'Governance structures need to change alongside financial reform.'

## **Learning and Skills Improvement Service (LSIS) Regional Seminars**

As if you didn't have enough to get your head around, LSIS has organised a number of regional seminars on the topic 'FE and its contribution to economic and social life- a vision for the Big Society'. The seminars have been set up in partnership with the Office of Public Management 'to investigate the contribution the sector could make to the emerging concept of the Big Society'. LSIS states that the aim of the seminars is to 'create a narrative which is credible and articulates the sector's contribution to economic and social well being, and holds faith with our values whilst taking account of the Big Society concept'.

The LSIS regional seminars are intended to complement the forthcoming BIS consultation on developing 'the future landscape and shape of FE', the joint AoC/157 Group/NIACE sponsored Independent Commission on 'Colleges in their Communities' (both mentioned above) and the independent report, previously commissioned by LSIS from the 2020 Public Services Hub, on 'A socially productive future for further education'.

## **Stars and Beacons**

Each year a number of ceremonies are held at which colleges are presented with awards that recognise outstanding achievement in some aspect of college activity. The awards themselves are usually sponsored by the government bodies, quangos and private sector firms, that purport to provide support and services to the FE sector. Examples of the larger award ceremonies included the TES FE Awards ceremony, described by some as being 'glittering' and 'the FE equivalent of the Oscars', at which around 13 awards will be presented, and that part of the AoC annual conference which is dedicated to the presentation of around 18 different 'Beacon Awards'.

Awards ceremonies do celebrate the outstanding achievements of college students and staff, and this is a good and commendable thing. However, some of the private sector firms that sponsor awards rely heavily on college contracts for their revenue and profits. Also, the operational costs of some of the government bodies and quangos that sponsor awards are met from top-sliced funds that could otherwise have been used to increase resources for delivering frontline college services. It could therefore be argued that colleges end up paying, either directly or indirectly, for the awards that they compete to win.

Because of this, perhaps award ceremonies ought to be events organised by colleges to present awards to those government bodies, quangos and private sector firms that have provided the sector with outstanding service. To save the expense of a separate ceremony, perhaps the winners could be presented with their awards at the annual AoC conference. This could work, since AoC Conference delegate lists often gives the impression that there are more delegates from such organisations than there are from colleges.

## **And finally.....**

As part of their enrolment process, most colleges arrange for new students to be photographed so that they can be issued with identity cards. In some colleges, a few students may have insisted on being photographed wearing, for example, a hat, a scarf, a hood or a veil and this may have resulted in a little tension.

Spare a thought then, for the officials in Austria who were recently faced with a man who insisted on being photographed for his driving license wearing a colander on his head. His justification for this demand was that he was a member of the 'Church of the Flying Spaghetti Monster' and, as a practising 'Pastafarian', wearing the colander was a requirement of his religion. Officials refused to take his photograph unless he removed the colander, so he took the matter to the Austrian courts, arguing that his human rights had been breached and that he was being discriminated against because of his religion. He won his case and is now in possession of a new driving license showing him wearing his colander.